

DAS ISF - GENERAL SERVICES

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE

BUDGET BRIEF

SUMMARY

In 1997 the Legislature reorganized the Department of Administrative Services, merging Central Copying, Central Mail, and Central Stores into the Division of Purchasing. The new division became the Division of Purchasing and General Services. The General Services functions of the division are budgeted as internal service funds. The procurement function that enables other agencies to contract for goods and services is budgeted separately in the appropriated fund section; however, it is also transitioning to an internal service fund.

In FY 2011 the department requested that the State Surplus Property and the Federal Surplus Property internal service funds be moved from the Division of Fleet Operations to the Division of General Services to more closely align program operations with similar programs. The Department also requested that the Purchasing Card (P-Card) program be moved from the Electronic Purchasing program to a new internal service fund administered by the Division of Finance in FY 2011. The Legislature accommodated these requests in the 2010 General Session.

ISSUES AND RECOMMENDATIONS

Print Services Retained Earnings

In response to legislative concerns, several years ago the division consolidated printing operations and reduced equipment in an effort to reverse losses in retained earnings.

In FY 2006 the division contracted with Xerox to operate high speed copying and finishing service centers, though the program is still managed by the division. The division adds a surcharge to printing rates to reverse negative retained earnings, which has helped Print Services slowly improve its position as can be seen in the following table of actual and estimated retained earnings.

Figure 1: ISF - Administrative Services - ISF - Purchasing & General Services - Budget History

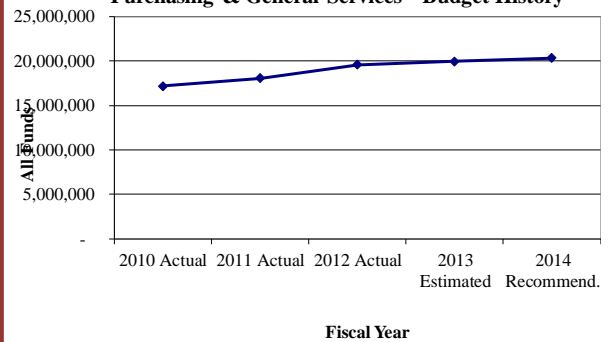


Figure 2: ISF - Administrative Services - ISF - Purchasing & General Services - FTE History

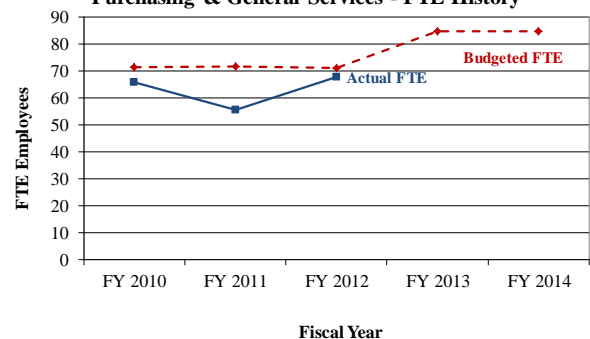
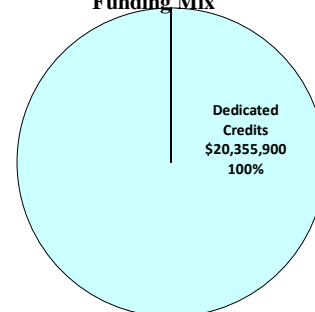


Figure 3: ISF - Administrative Services - ISF - Purchasing & General Services - FY 2014 Funding Mix



FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 Est.
(\$1,194,300)	(\$919,700)	(\$704,200)	(\$636,000)	(\$513,600)	(\$372,700)	(\$259,100)

Table 1

Purchasing Transition to an ISF

As discussed in the Purchasing Budget Brief, the Division of Purchasing is continuing the transition from an appropriated General Fund agency to an internal service fund. In FY 2012 the division reduced its General Fund budget by \$300,000 and moved some individuals to the Cooperative Contracting (formerly Electronic Purchasing) program within the General Services internal service fund.

BUDGET DETAIL

The Administration Program is set up to account for the indirect costs (overhead) in delivering the services of the other three central services programs. All expenditures are passed through to the other programs in proportion to their share of the total division budget; therefore its total budget is zero and it doesn't appear in the Budget Detail Table.

LEGISLATIVE ACTION

The Analyst recommends the Legislature approve the FY 2014 Budgeted FTE, Authorized Capital Outlay, and the Annual Revenue as presented in the following table as well as listed in the IGG Subcommittee's Base Budget Bill:

DAS ISFs - FY 2014	Budgeted FTE	Authorized Capital Outlay	Annual Revenue
ISF - Purchasing and General Services	84.7	\$3,445,900	\$20,355,900
Totals	84.7	\$3,445,900	\$20,355,900

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2. Rates as presented separately in an Issue Brief.
3. Additional FTE authorization of 5.0 and additional Authorized Capital Outlay of \$120,000 as listed in the table below:

DAS ISFs Requested Increases - FY 2014	Budgeted FTE	Authorized Capital Outlay
ISF - Purchasing and General Services		
Central Mailing	5.0	
Print Services		\$120,000
Totals ISF - Purchasing and General Services	5.0	\$120,000

BUDGET DETAIL TABLE

ISF - Administrative Services - ISF - Purchasing & General Services						
Sources of Finance	FY 2012 Actual	FY 2013 Appropriated	Changes	FY 2013 Revised	Changes	FY 2014* Recommended
Dedicated Credits - Intragvt Rev	19,575,000	19,069,000	911,000	19,980,000	375,900	20,355,900
Sale of Fixed Assets	15,600	0	0	0	0	0
Total	\$19,590,600	\$19,069,000	\$911,000	\$19,980,000	\$375,900	\$20,355,900
Programs						
ISF - Central Mailing	13,166,800	13,187,900	312,100	13,500,000	0	13,500,000
ISF - Cooperative Contracting	2,220,600	1,737,600	483,000	2,220,600	0	2,220,600
ISF - Print Services	3,128,600	3,413,400	(228,600)	3,184,800	375,900	3,560,700
ISF - State Surplus Property	1,028,500	707,100	321,400	1,028,500	0	1,028,500
ISF - Federal Surplus Property	46,100	23,000	23,100	46,100	0	46,100
Total	\$19,590,600	\$19,069,000	\$911,000	\$19,980,000	\$375,900	\$20,355,900
Categories of Expenditure						
Personnel Services	3,678,000	4,606,400	127,600	4,734,000	171,600	4,905,600
In-state Travel	3,300	6,200	(2,900)	3,300	0	3,300
Out-of-state Travel	9,900	16,600	(6,700)	9,900	0	9,900
Current Expense	12,296,100	12,102,000	330,600	12,432,600	(100)	12,432,500
DP Current Expense	108,200	121,900	(11,400)	110,500	100	110,600
Capital Outlay	0	182,600	(182,600)	0	0	0
Other Charges/Pass Thru	(37,100)	(34,900)	(16,800)	(51,700)	9,400	(42,300)
Depreciation	1,648,600	1,726,300	(6,300)	1,720,000	434,700	2,154,700
Total	\$17,707,000	\$18,727,100	\$231,500	\$18,958,600	\$615,700	\$19,574,300
Other Data						
Budgeted FTE	71	85	0	85	(0)	85
Actual FTE	68	0	0	0	0	0
Authorized Capital Outlay	1,436,300	3,510,900	(45,000)	3,465,900	(20,000)	3,445,900
Retained Earnings	2969700.0	2230000.0	1858200.0	4088200.0	684600.0	4772800.0
Vehicles	25.0	23.0	2.0	25.0	-2.0	23.0

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.